



Is a trust deed the same as a mortgage?

A: “Mortgage” is the more commonly used term for a **note and trust deed** in real estate financing.

When you obtain mortgage financing for a home, the mortgage debt and your promise to pay it are set out in a written document called a promissory note.

The debt evidenced by the note is backed by an asset, known as the security or collateral.

Mortgage debt is secured by your home and attached to the property as a lien on title through the use of a trust deed.

Your home, when subject to the trust deed lien, acts as security for payment of the debt incurred to purchase or refinance your home.

The trust deed is recorded in the county records to give public notice and establish priority of the lender’s security interest in your home.

Although the note and trust deed you execute in favor of a mortgage holder are separate documents, a trust deed is only effective when it provides security by reference to an existing promise to pay or perform any lawful act that has a monetary value.

Further, the note and trust deed composing the mortgage constitute one contract to be read together.

When you fully pay the debt secured by a trust deed lien on your home, the lien is removed from title as satisfied.

To release the mortgage holder’s trust deed lien from title to your home — a process called reconveyance — the trustee named in the trust deed:

- obtains the original note and a request for reconveyance from the mortgage holder; and
- prepares and records a reconveyance of the trust deed.